



***United States Attorney  
Southern District of New York***

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**OWNER OF YONKERS-BASED REAL ESTATE AGENCY  
PLEADS GUILTY IN SCHEME WITH HER CLIENTS TO DEFRAUD HUD**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that CELESTE PIEXOTO, the owner of Yonkers-based real estate agency Zeca Realty and a licensed real estate broker, pled guilty today in White Plains federal court to conspiring with her real estate clients to defraud the United States Department of Housing and Urban Development ("HUD") and the Yonkers Municipal Housing Authority ("YMHA") in connection with a scheme to fraudulently obtain federal housing benefits.

PIEXOTO, 60, pled guilty before United States Magistrate Judge LISA MARGARET SMITH. The charge carries a maximum penalty of 5 years in prison and a \$250,000 fine. Sentencing was scheduled for February 10, 2004 before United States District Judge STEPHEN C. ROBINSON.

The conspiracy charge to which PIEXOTO pled guilty

alleges that, between 1995 and 2002, PIEXOTO persuaded her real estate clients to purchase expensive homes in Yonkers that they could not truly afford and to finance the purchase of these homes by fraudulently applying for and receiving federal housing assistance benefits to which she knew those clients were not entitled. The charge alleges that PIEXOTO and her clients created and used false documents such as sham leases and fake real estate deeds to make it appear, falsely, that PIEXOTO's clients were eligible for Section 8 housing benefits -- federal funds provided to YMHA by HUD to assist extremely low-income individuals and families in paying their monthly rent.

According to the charge, among other monies that PIEXOTO earned in connection with this scheme were real estate broker's commissions on real estate transactions which she and her co-conspirators arranged to be financed with fraudulently obtained federal housing benefits.

PIEXOTO's guilty plea represents the culmination of a two-year investigation conducted jointly by HUD and YMHA into the abuse of the Section 8 program by PIEXOTO and her clients. The investigation resulted in the prosecution and conviction of six of PIEXOTO's clients and co-conspirators: WILFREDO DIAZ, JUANA DIAZ, VICTORIA BELTRAN, ALFREDO BELTRAN, CIRILO MATA, and PAULA MATA, all of Yonkers, New York. All six co-conspirators have pled guilty in White Plains federal court to conspiring with

PIEXOTO to defraud HUD and YMHA and all are awaiting sentencing by JUDGE ROBINSON.

All six co-conspirators have also forfeited to the Government the three homes in Yonkers that they purchased and financed, with PIEXOTO's assistance and guidance, using fraudulently obtained federal housing benefits. These three homes together have a present-day value in excess of \$1 million.

Mr. COMEY praised the investigative efforts of the Department of Housing and Urban Development and the Yonkers Municipal Housing Authority.

Assistant United States Attorney JONATHAN LEIKEN is in charge of the prosecution.

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